

Via Electronic Filing

June 6, 2002

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Communication, CC Docket No. 98-171 -- In the Matter of
1998 Biennial Regulatory Review – Streamlined Contributor Reporting
Requirements Associated with Administration of Telecommunications Relay
Service, North American Numbering Plan, Local Number Portability, and
Universal Service Support Mechanisms

Dear Ms. Dortch:

On Wednesday, June 4, 2002, the following members of the International Prepaid Communications Association: Mary Beth Banks (Sprint), L. Scott Cohen (AT&T), Lenn Brown of Global Prepaid Alliance, Hope Halpern (Telstar International), Chris Newbury (Nobel Limited), Jerome Myers (Bell South), Travis Hamer (Linq Telecom), Ralph Senter (Linq Telecom) and myself met with the following members of the Commission's Telecommunications Access Policy Division: Paul Garnett, John Seacrest, Eric Einhorn and Vickie Byrd to discuss issues related to the above proceeding. In addition we distributed a copy of the attached presentation.

In particular, we stressed the need for the Commission to replace the existing revenue based Universal Service Funding Mechanism with a per connection assessment methodology consistent with the proposals of the Coalition for Sustainable Universal Service (CoSUS) and Sprint. Moreover, IPCA explained that the Commission should reject the discriminatory and administratively complex proposal put forth by SBC and BellSouth which would allow some carriers to be assessed universal service fees on a per connection basis while others would continue to be assessed based on revenues. Such a proposal would discriminate between those providers of intrastate service that provide some end user connections and those who do not, would do little to correct the administrative problems inherent in the existing Universal Service funding mechanism, and would penalize end users who chose to use multiple providers of interexchange service by requiring them to pay multiple universal service fees – a per line charge for their connection to the PSTN, along with multiple “revenue based” universal service fees each time they used a debit card or dial-around product. Traditionally, prepaid and dial-around products are most attractive to the poorest members of the community who are the most price sensitive. Accordingly, the SBC/BellSouth proposal would have the perverse effect of burdening the poorest members of the population the most by causing them to pay the highest contributions in universal service fees – a result that would directly contradict the goals of both Congress and this Commission to ensure that low income consumers receive quality services at affordable rates.

Sincerely,

Howard Segermark

Attachment

Attachment

